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Message Text

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PAGE 01 SAN JO 03992 172159Z

63
ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-05

INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

SCI-02 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PA-01 PRS-01

USIA-06 EUR-08 DRC-01 /088 W
---------- 027864
R 172124Z OCT 74
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 8365
INFO AMEMBASSY CARACAS

LIMITED OFFICIAL USE SAN JOSE 3992

E.O. 11652: N/A
TAGS: ENRG, CS
SUBJECT: COSTA RICA COMPLETES PURCHASE OF RECOPE REFINERY

REF: SAN JOSE A-59, APRIL 30, 1974

1. PRESIDENT ODUBER ANNOUNCED TO THE PRESS OCTOBER 16, THAT COSTA RICA HAS PURCHASED FOR THE SUM OF $200,000 THE MINORITY SHARES OF THE RECOPE REFINERY WHICH HAD BEEN OWNED BY PARCOPLAN LIMITADA AND DESARROLLO TECNICO DE COSTA RICA, BOTH OF WHICH ARE DESCRIBED AS US-OWNED.

2. AS THE DEPARTMENT WILL RECALL, THE MAJORITY SHARES OF THE RECOPE REFINERY WERE TRANSFERRED TO THE GOVERNMENT BY THE ALLIED CHEMICAL COMPANY ON OCTOBER 11, 1973 FOR THE SUM OF $1 PLUS THE VALUE OF INVENTORIES AND ACCOUNTS RECEIVABLE (ABOUT $2 MILLION). THIS TRANSFER WAS APPROVED BY THE LEGISLATIVE ASSEMBLY IN A DECREE OF APRIL 8, 1974,
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PAGE 02 SAN JO 03992 172159Z

RATIFIED BY THE PRESIDENT ON APRIL 17, 1974,

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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UNDER THE TERMS OF WHICH RECOPE ASSUMED RESPONSIBILITY
FOR A DEBT OF $5.4 MILLION OWED TO FRENCH
EQUIPMENT SUPPLIERS.

3. AS RECOPE, AND NOT THE COSTA RICAN GOVERNMENT,
ASSUMED THE RESPONSIBILITY FOR THE FRENCH DEBT, THE
MINORITY SHARE HOLDERS ALSO BECAME RESPONSIBLE FOR
A PORTION OF THE DEBT EQUAL TO THEIR PARTICIPATION
IN RECOPE (20 PERCENT). THUS, IT WOULD APPEAR LIKELY THAT
THEY HAVE RECEIVED NOT ONLY THE $200,000 MENTIONED
BY ODUBER BUT ALSO CANCELLATION OF THEIR SHARE OF
THE RECOPE DEBT AMOUNTING TO SOME $1.1 MILLION,
ALTHOUGH THIS POINT HAS NOT YET BEEN CLARIFIED BY
THE GOVERNMENT.

4. THE EMBASSY HAS OBTAINED A COPY OF A REPORT ON
THE OPERATION OF THE RECOPE REFINERY WHICH ESTIMATES
THAT IT WILL EARN A PROFIT OF 120 MILLION COLONES
THIS YEAR. THE EMBASSY IS POUCHING A COPY OF THIS
REPORT.
LANE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, CONTRACTS, REFINERIES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANJO03992
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740296-0629
From: SAN JOSE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19741039/aaaabgvk.tel
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Previous Handling Restrictions: n/a
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Review Event:
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